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Improved Health Insurance Reform

Last week the House unveiled its revisions to the health insurance reform legislation.

The health insurance market is broken and in immediate need of reform. Under the current system, private health insurance companies are increasingly consolidating, finding more ways to stand between patients and their doctors, and focused on boosting profits instead of affordable, quality, patient-focused health care. As a result the number of uninsured Americans has grown to 47 million and premiums have risen over 120 percent in the past decade for those who do have coverage.

The Affordable Health Care for America Act blends and updates the three versions of previous bills passed by House committees in July. It embodies President Obama's key goals for health reform – it will slow the growth in out-of-control costs, introduce competition into the health care marketplace to keep coverage affordable and insurers honest, protect people's choices of doctors and health plans, and assure all Americans access to quality, stable, and affordable health care.

The legislation will ensure that 96 percent of Americans will be covered by a quality, affordable health plan. The Congressional Budget Office (CBO) estimates the cost of expanding coverage at \$894 billion, consistent with the \$900 billion coverage mark laid out by President Obama. And, according to the CBO

estimates, the bill reduces the deficit by at least \$30 billion over the next 10 years.

The legislation includes critical reforms to the insurance industry, so that Americans will never again worry about being denied coverage, or that their coverage will be dropped or watered down when they need it most.

The bill does include a public option. And, the public exchange would also be open to small businesses starting in 2013, when firms with up to 25 employees could enter the exchange; in 2014, firms with up to 50 employees; in 2015, firms with up to 100 employees; in 2015 and beyond, the Commissioner could allow larger employers as appropriate.

There has been a long and purposeful process in developing the legislation. The House has held about 100 hearings on health care since 2007, and House members have held nearly 3,000 health care events across the country, including the health care town hall meeting I held this past August in Rocky Mount, N.C. Additionally, three House committees have spent 160 hours on hearings and markups of health care legislation.

The vast majority of the proposal has been available for review and comment for more than three months. The full text of the revised bill can be found at: http://docs.house.gov/rules/health/111_ahcaa.pdf

Many of the concerns people had about the original House proposal have been addressed in the revised health insurance reform bill. Among the notable changes:

- Reduces the deficit by \$30 billion over the next ten years, and continues to reduce the deficit of the second ten years.
- Provides a mechanism for addressing the Medicare payment system that takes geographic differences into account.
- Begins to address the issue of medical malpractice by establishing a state incentive grant program to encourage states to implement alternatives to traditional medical malpractice litigation.
- Allows for the creation of State Health Insurance Compacts by permitting states to enter into agreements to allow for the sale of insurance across state lines when the state legislatures agree.
- Limits any surcharges to millionaires – only the wealthiest 0.3% of Americans would pay a surcharge in order to make health insurance affordable to middle class families.
- Exempts small businesses with payrolls below \$500,000 – or 86% of all of America's businesses - from the mandate to provide health insurance.
- Immediately begins to close the Medicare Part D donut hole.
- Requires the HHS Secretary to negotiate drug prices on behalf of Medicare beneficiaries in order to save money

Creating Jobs and Boosting Economic Growth

The House approved legislation last week aimed at creating new jobs and stimulating the economy by providing small businesses with access to the loans and investment dollars they need to expand and grow their operations.

The Small Business Financing and Investment Act will help open tight credit markets that have shut out small business owners during this economic crisis, so they can create jobs – particularly in struggling regions and industries. Small businesses are the greatest source of new jobs in this country. By helping small businesses grow, we are putting Americans back to work, supporting innovation in our economy and laying the groundwork for our future prosperity.

Small businesses create 60 - 80% of new jobs every year, but the current economic crisis has frozen credit and made it difficult for American small businesses to get the financing they need. By comprehensively updating the Small Business Administration's capital access programs, the legislation is expected to support \$44 billion in lending and investment for smaller firms.

The legislation will increase loan sizes to better meet businesses' needs. It also includes incentives to encourage local banks to lend to small businesses and reduces bureaucratic red tape, making it easier for entrepreneurs to secure credit.

The bill creates a new public/private partnership to expand investments in small business startups – an important source of job creation. It also extends critical Recovery Act provisions eliminating fees on Small Business Administration loans and guaranteeing up to 90% of 7(a) loans. To foster a diverse mix of businesses, it takes steps to promote veteran-owned, women-owned and rural small businesses.

Protecting Our Water and Natural Resources

The House last week approved legislation that will help protect our air, clean up our waters and restore our public lands.

The FY2010 Department of the Interior, Environment, and Related Agencies Appropriations conference report emphasizes reducing pollution in our air and water, cleaning up dangerous toxic waste sites, encouraging energy efficiency, and promoting the development of renewable clean energy sources. The bill also reduces or eliminates 55 programs to maintain fiscal responsibility.

The bill takes significant steps to reduce pollution in our water and air, and provides aid to nearly 1,500 communities to improve their drinking water and wastewater systems. It also provides funding to clean up dangerous toxic waste sites, and gives the EPA the tools it needs to study the impact of toxins and pollution on children.

To support our national security objectives and economic recovery efforts, the legislation makes investments in key climate change research, including research in cutting greenhouse gas emissions, encouraging consumer energy efficiency, and encouraging the production of clean, renewable American energy.

To help Americans save money and make wise environmental decisions, the bill allocates \$51 million for the EPA's successful Energy Star Program – which already saves consumers \$14 billion a year in energy costs. The bill also dedicates funds toward the development of renewable clean energy sources on federal lands and water.

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